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# THE EFFECT OF THE EUROPEAN WAR ON AMERICAN BUSINESS

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The question uppermost in the minds, not only of the bankers but of the business people of this country today is, just how will the European war effect American finance, American business. The subject is so broad and there are so many elements still undetermined that any opinion must be given with great reserve. My thought is that the points best settled today are:

First. For a long term of years Americans will not be able to finance new improvements or developments in the railway or commercial world through funds obtained from Europe. We must finance ourselves.

Second. As affairs become more stable, the rate of investments, at least upon government obligations in Europe, will so nearly approach the investments held from this country, that there will be a continuing return of bonds and stocks now held in Europe. This will result in a partial extinction of the indebtedness of our industries to Europe.

Third. During the continuance of the war and probably for a year or two afterward, all of the countries who have been at war will be practically upon a paper basis. Gold will be principally used for exchange between countries, and as long as this continues, money should remain cheap for short terms and the real pinch will not come until an effort is made to get back to a gold basis.

Fourth. In spite of the best credit facilities, after the war it will be extremely difficult for the European countries to finance their oversea trade for long periods and on such liberal terms as they have done in the past. This should enable American merchants and manufacturers to obtain a very much better hold upon the South American and Far Eastern business. At the close of the war and the return of the men now in the armies, a very large output of manufacturing products will be pushed forward with almost unheard of haste because of the needs of these various

countries to supply goods for export, and I believe that our American manufacturers must face a very strong competition.

Fifth. Out of these different currents of business and trade brought on by the war, I believe that America is practically the only country in this world that will be benefited and I believe that we will be very substantially benefited. We are not equipped perhaps today to assume the first position in business, in trade world-wide, but backed by the enormous home consumption and home trade, I believe that the future for this country is brighter today than it has ever been.